

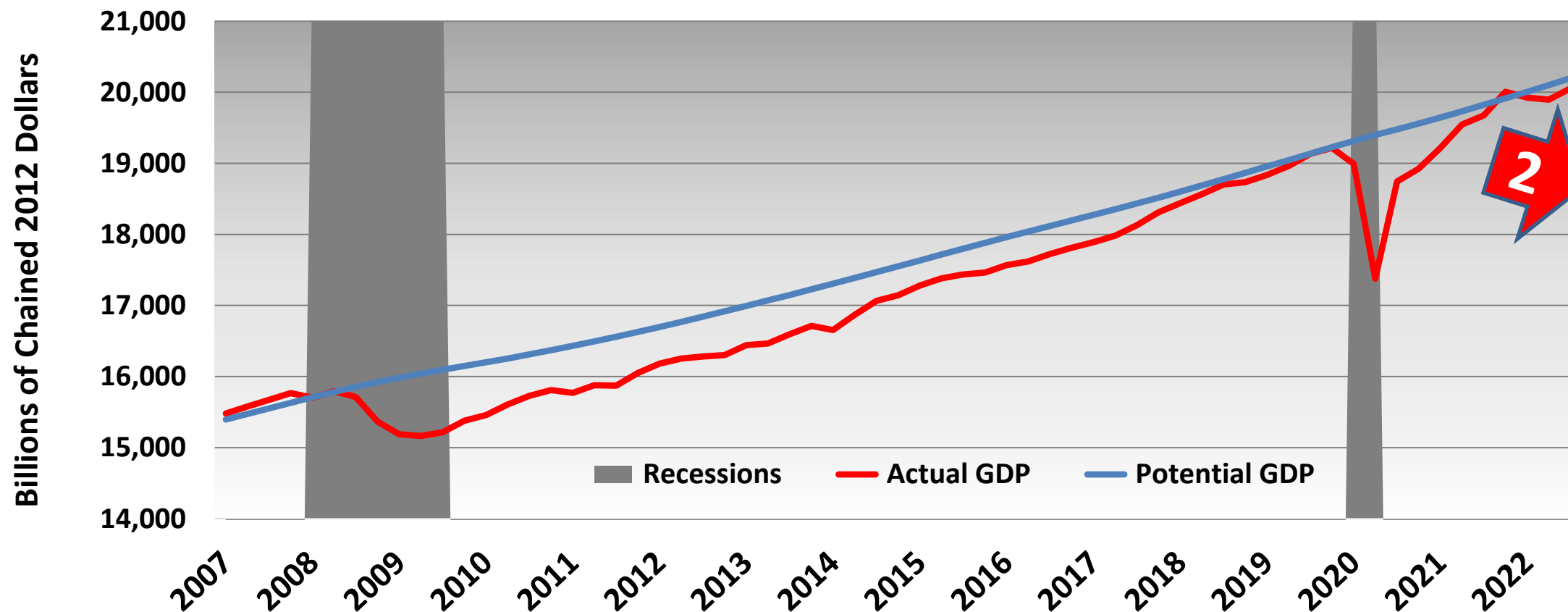
# 2023 Regional Economic Forecast

**Presented to the Hampton Roads  
Planning District Commission**

Greg Grootendorst  
Chief Economist, HRPDC  
January 19, 2023

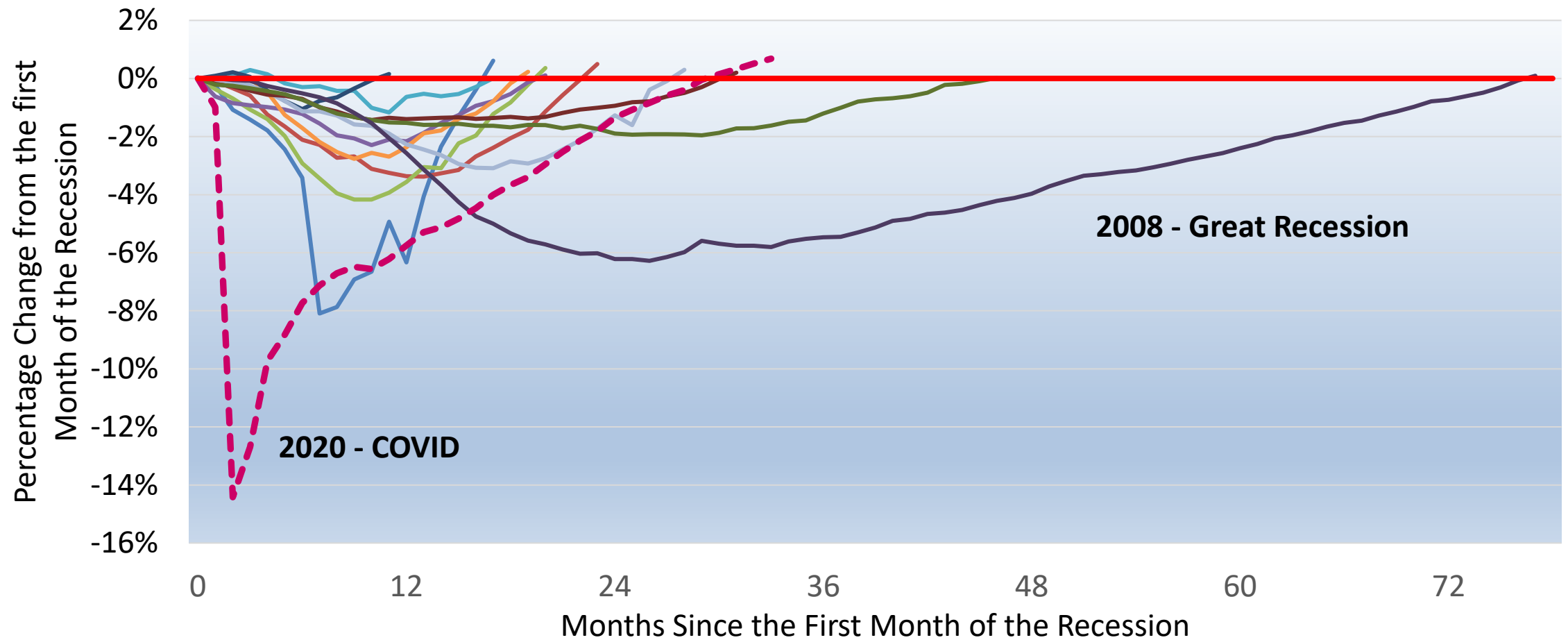


# The National Economy - Gross Product



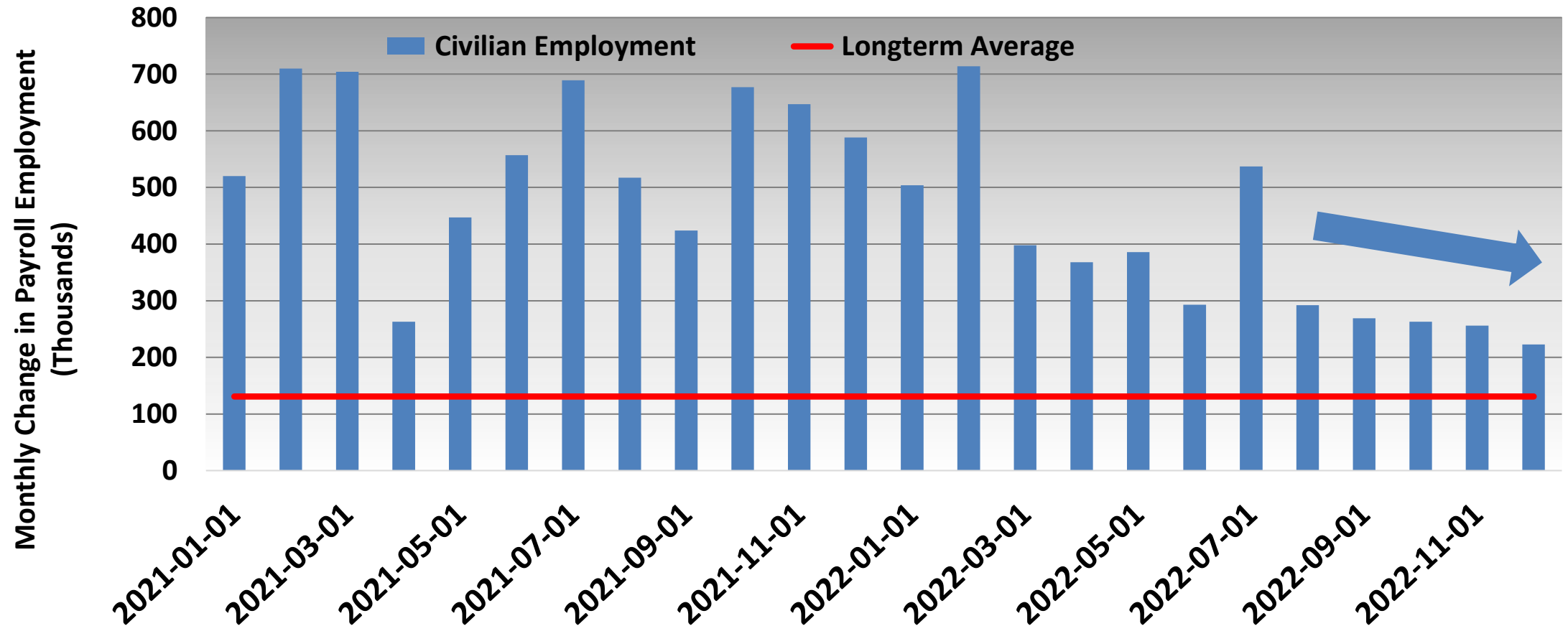
Sources: U.S. Congressional Budget Office, Bureau of Economic Analysis, National Bureau of Economic Research, and HRPDC

# Percent Change from Peak Employment



Sources: U.S. Bureau of Labor Statistics, NBER and HRPDC

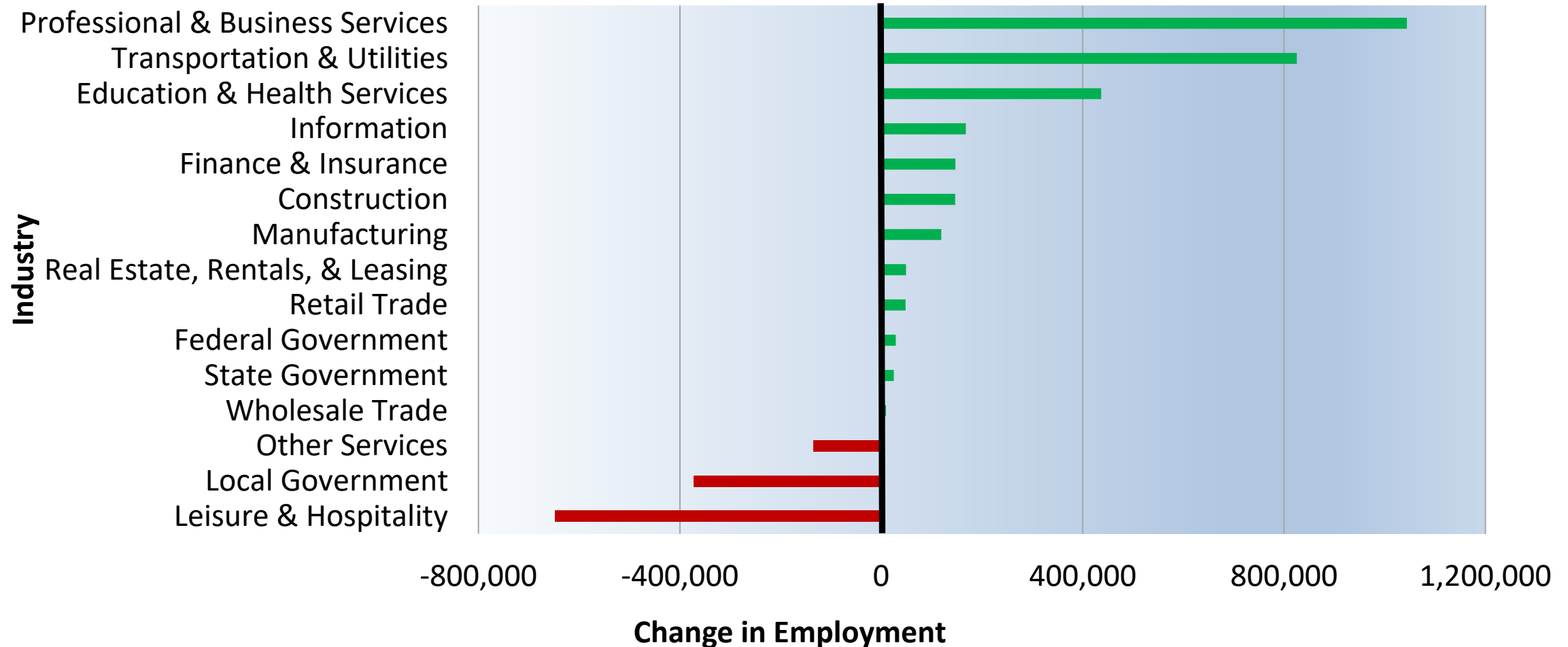
# National Payroll Employment



Sources: U.S. Bureau of Labor Statistics and HRPDC

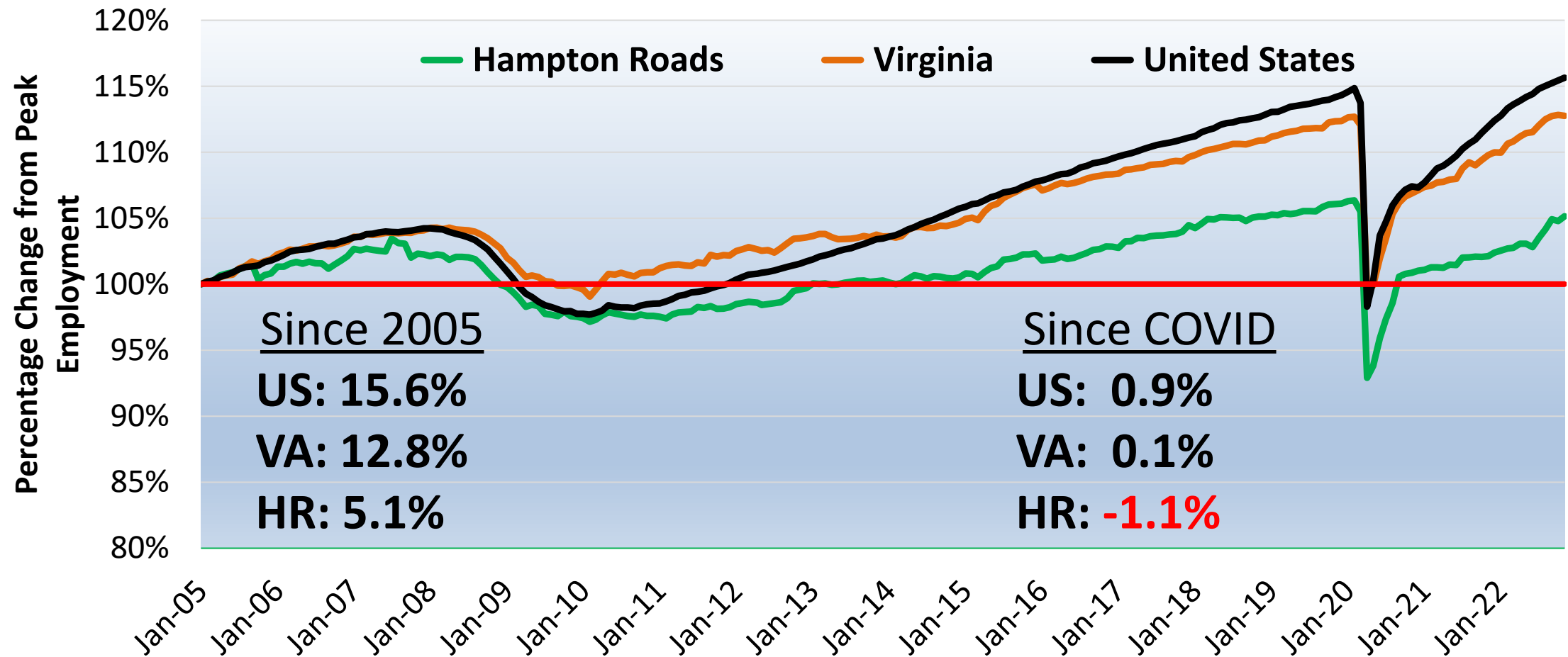
# Change in U.S. Industry Employment

Nov 2019 to Nov 2022



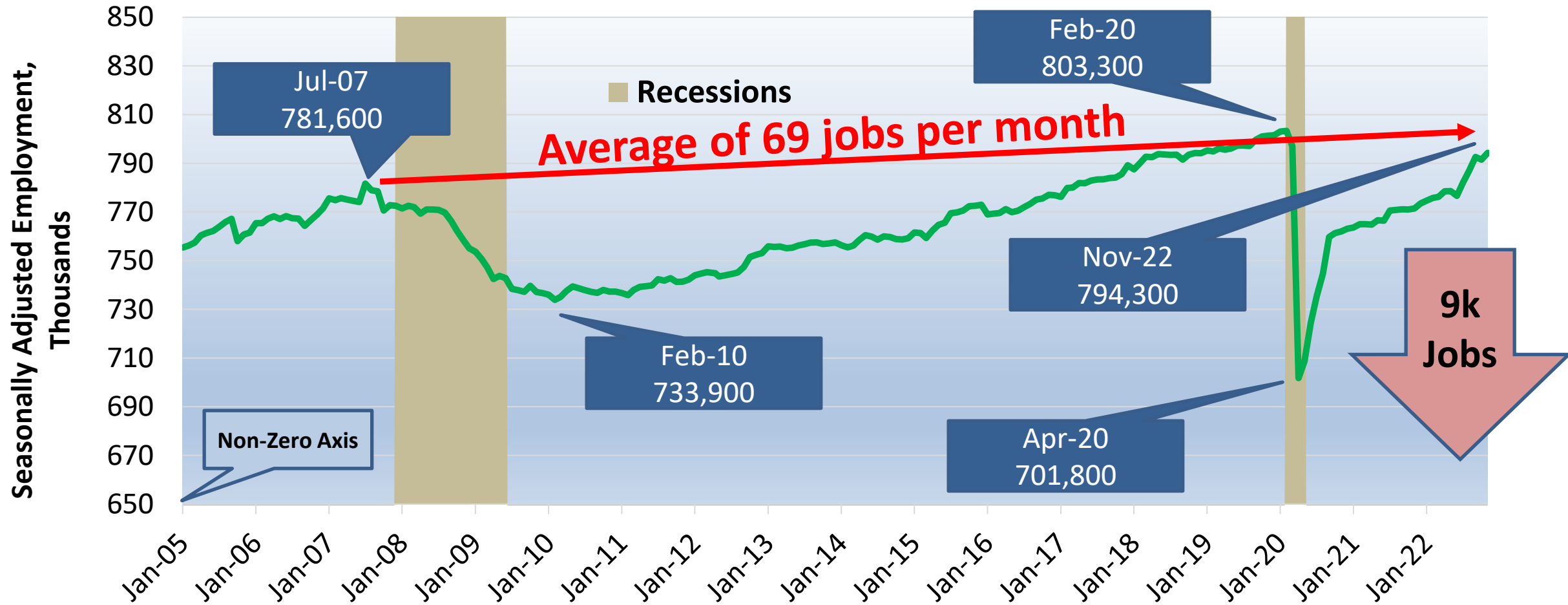
Sources: U.S. Bureau of Labor Statistics and HRPDC

# Indexed Employment - 2005 to 2022



Sources: U.S. Bureau of Labor Statistics and HRPDC

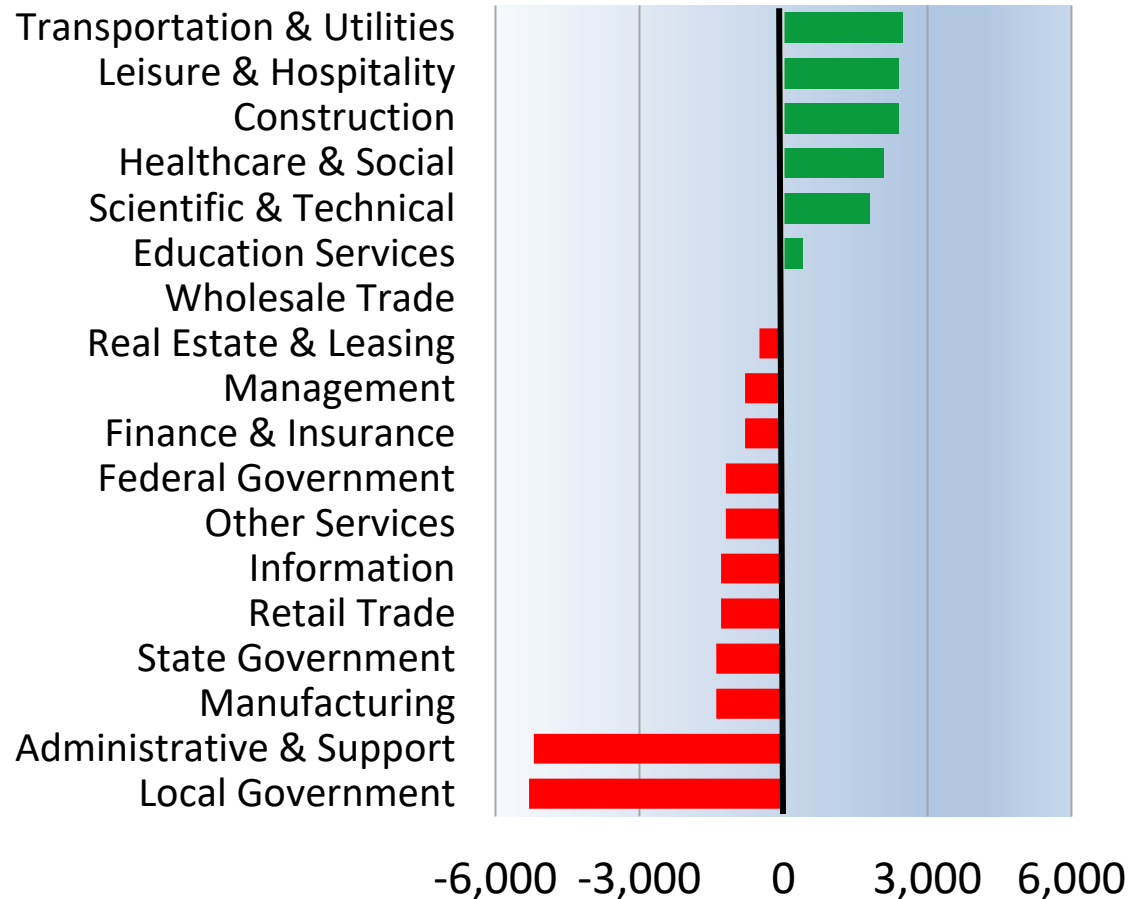
# Civilian Employment in Hampton Roads



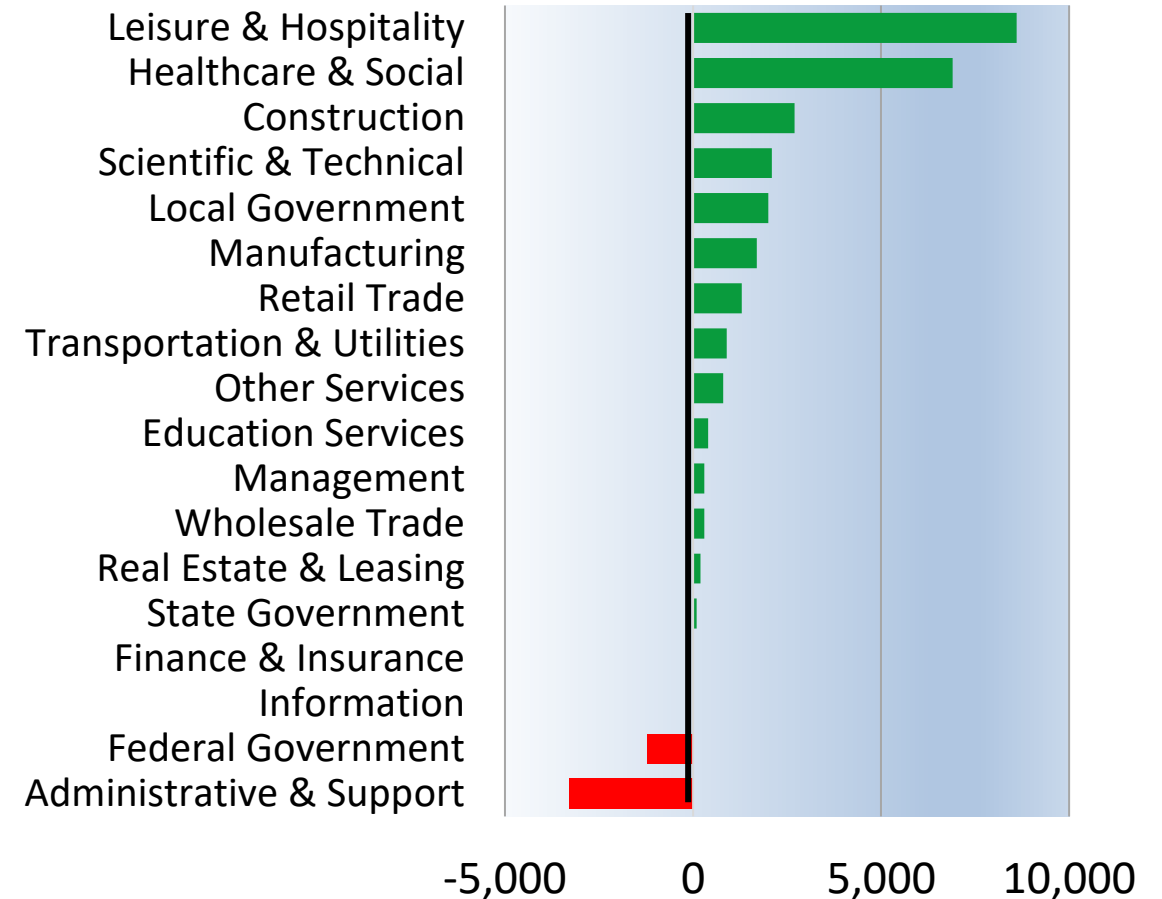
Sources: U.S. Bureau of Labor Statistics and HRPDC

# Hampton Roads Industry Employment

Pre-COVID vs. Now



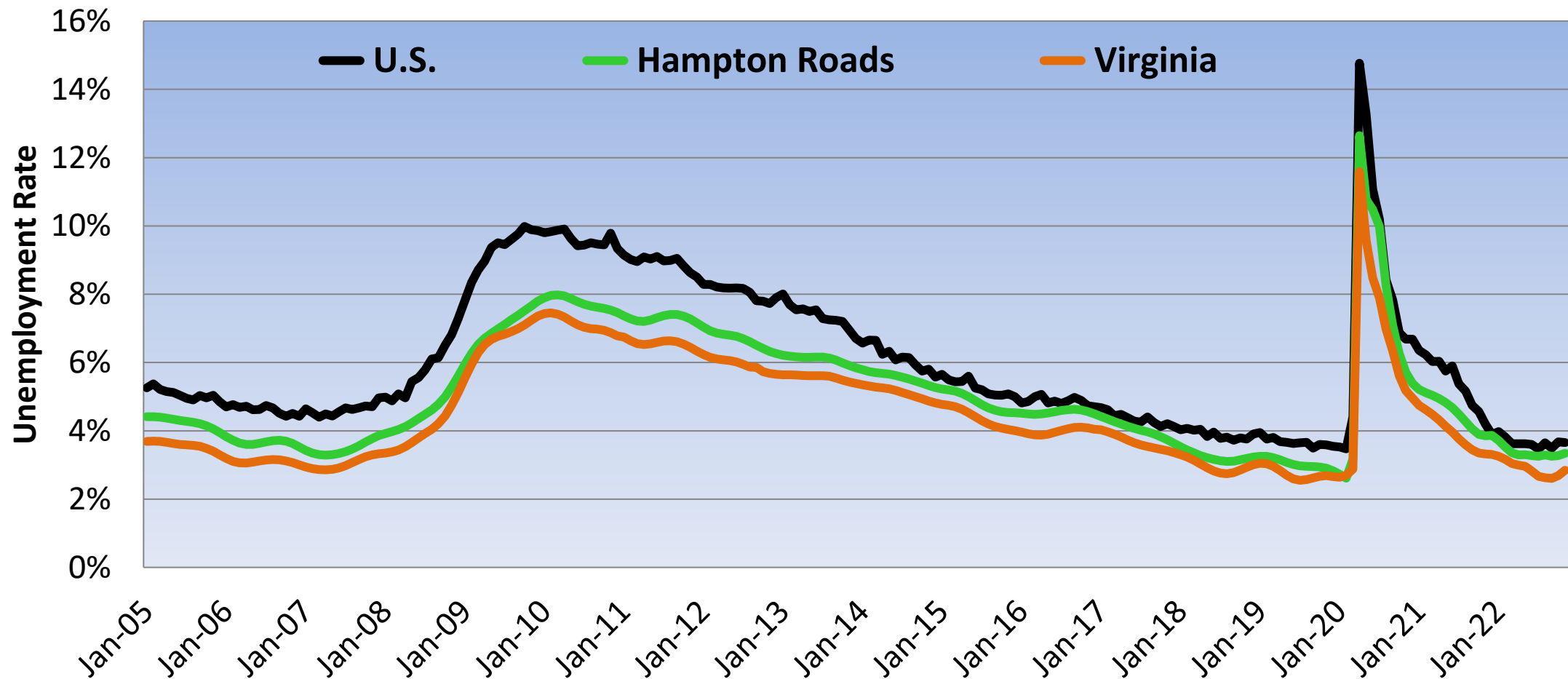
Past Year





# The Labor Market Employment Rates

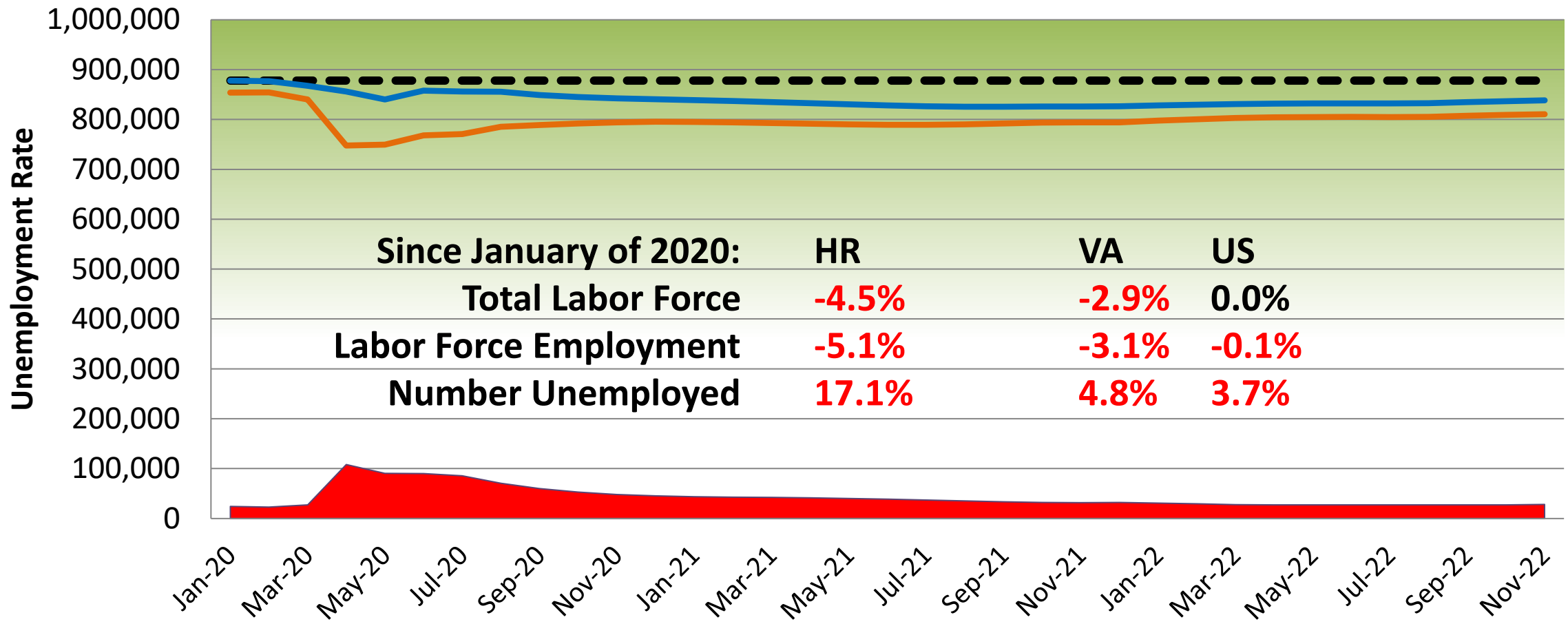
## Seasonally Adjusted



Sources: Bureau of Labor Statistics and HRPDC

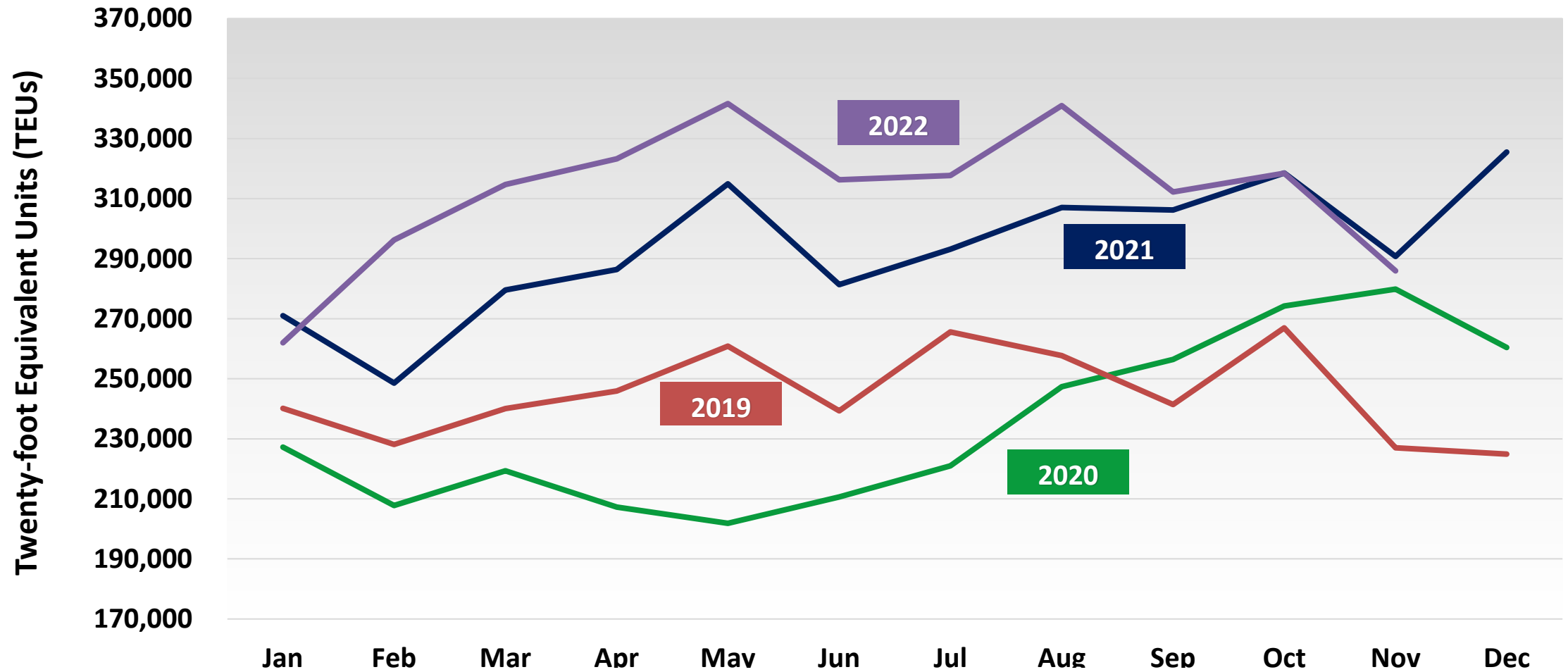
# Hampton Roads Labor Force

■ Unemployment — Labor Force — Employment



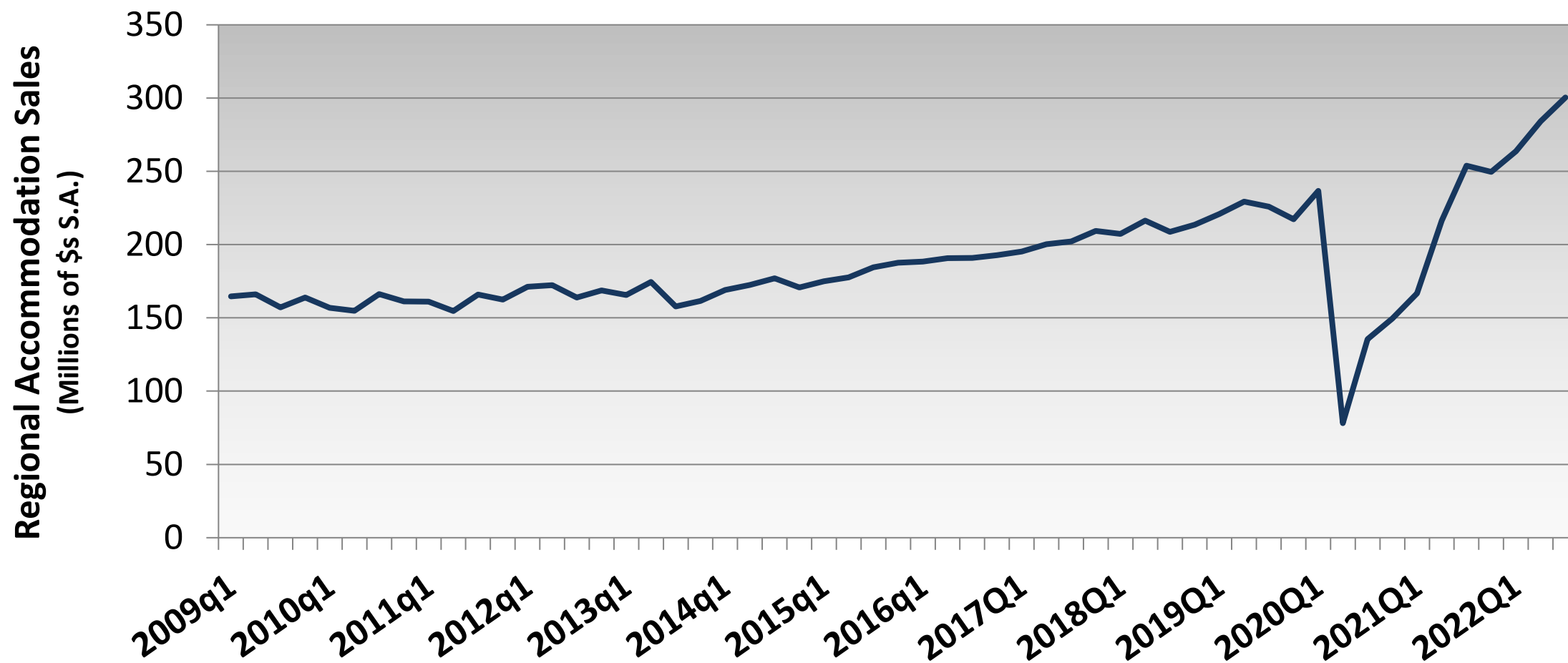
Sources: U.S. Bureau of Labor Statistics and HRPDC

# TEUs at the Port of Virginia



Sources: Port of Virginia and HRPDC

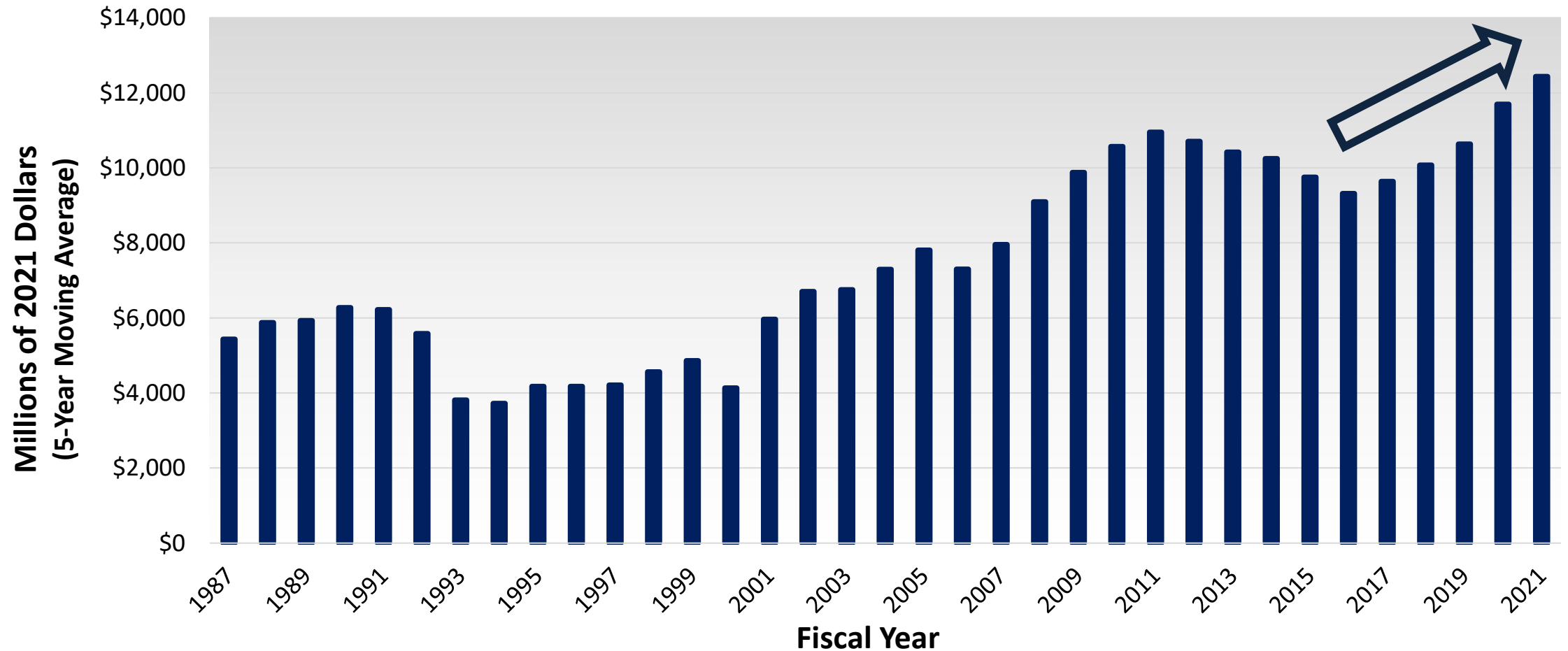
# Hampton Roads Hotel Revenue



Sources: Virginia Department of Taxation and HRPDC

# Defense Contracts in Hampton Roads

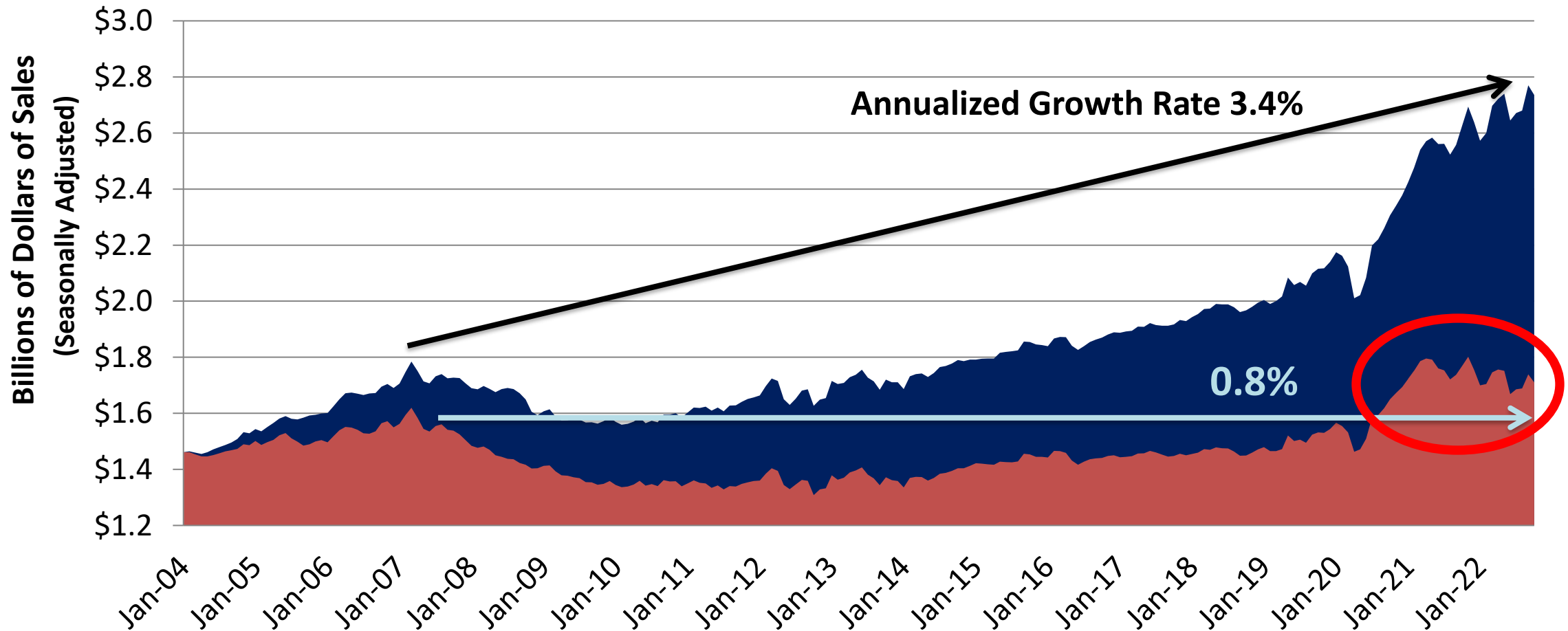
## Inflation-Adjusted



Sources: USAspending.gov and HRPDC

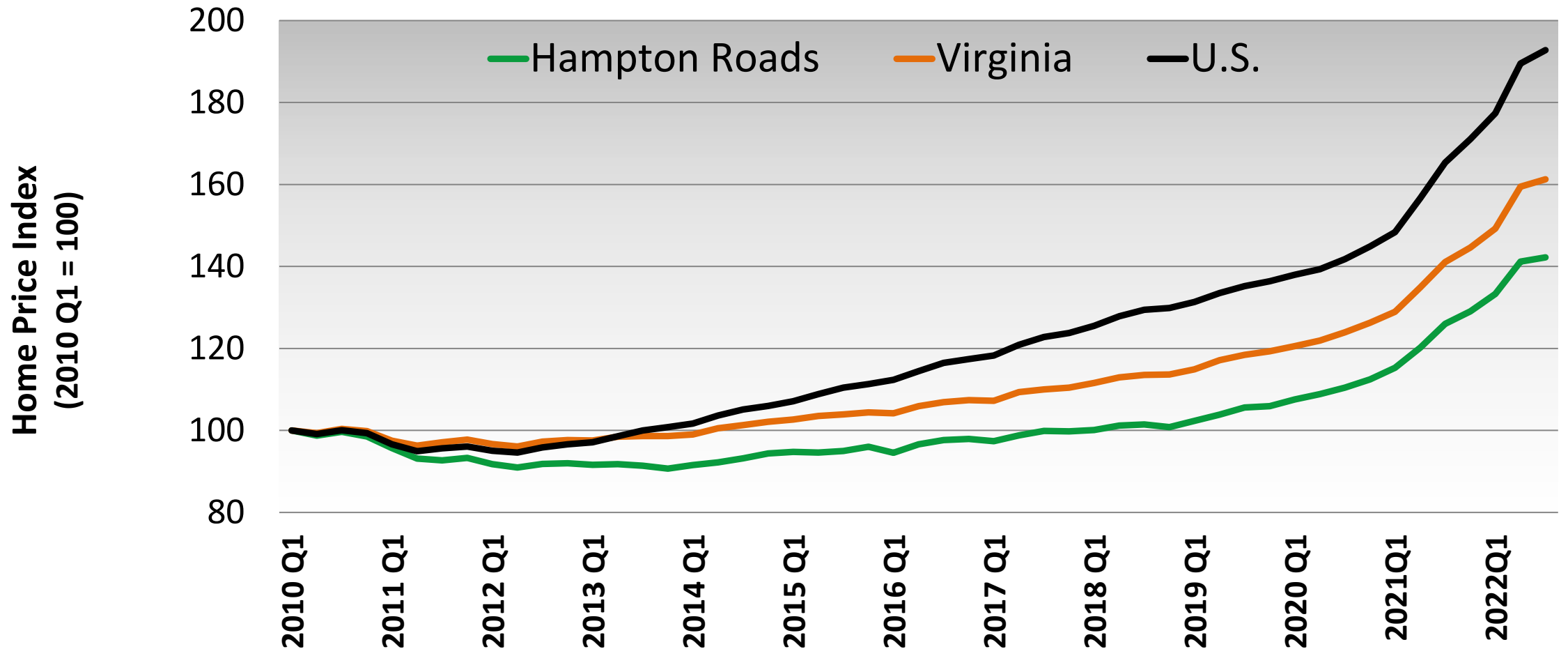
# Retail Sales in Hampton Roads

(1% Local Option, 3 Month Moving Average)



Sources: Virginia Department of Taxation, Bureau of Labor Statistics, and HRPDC

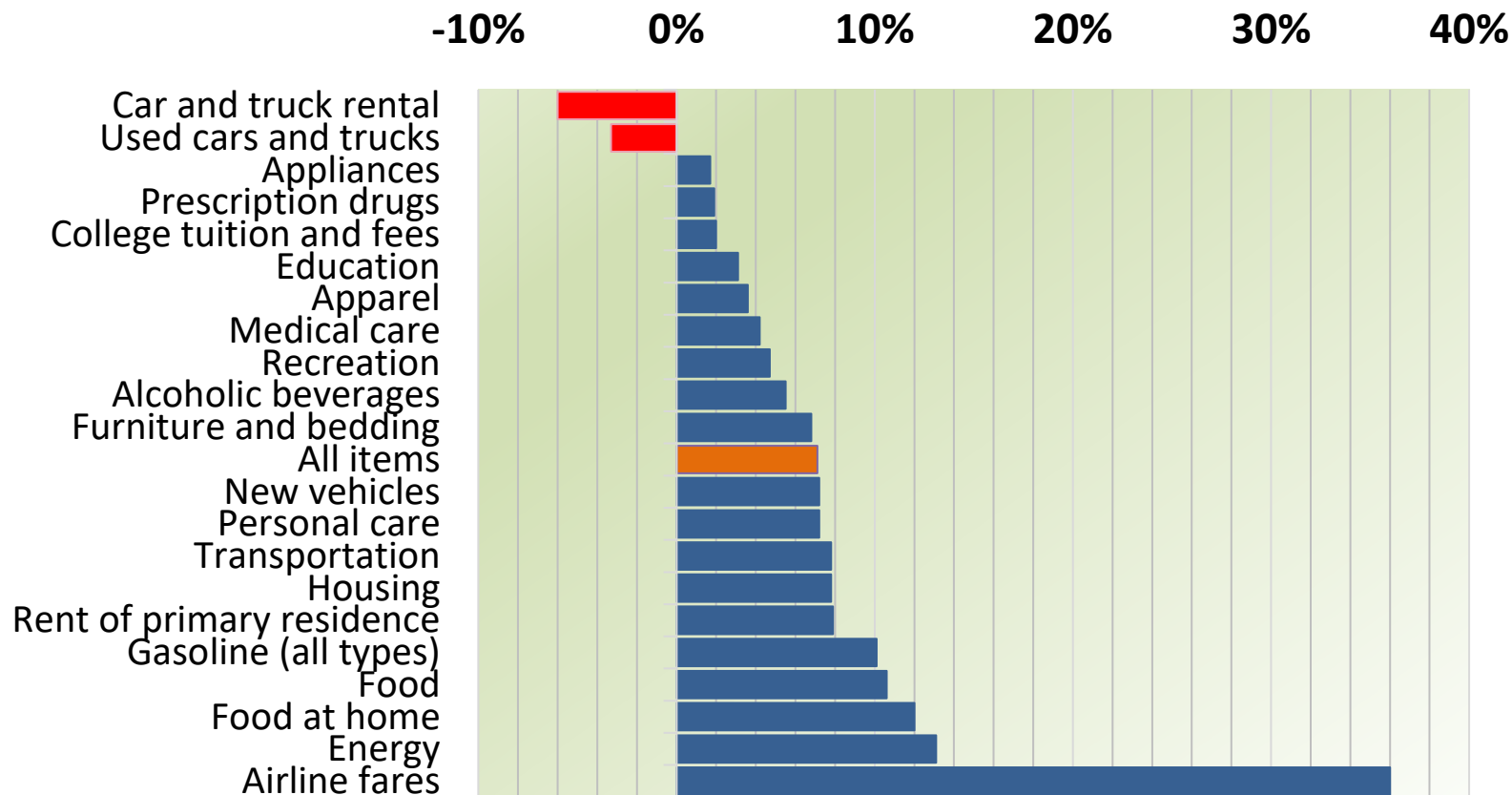
# Home Price Index



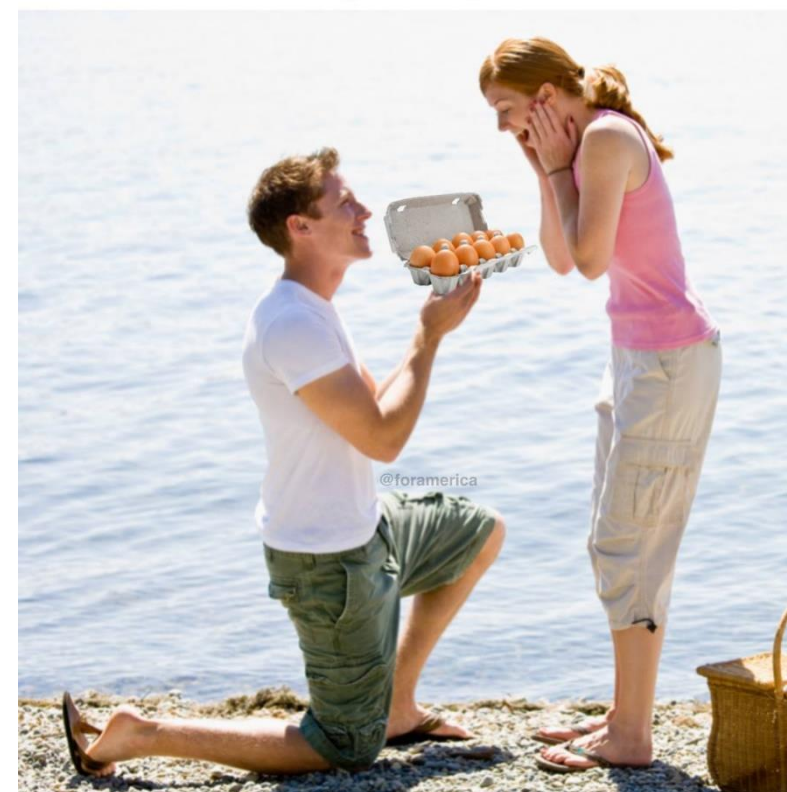
Sources: Federal Housing Finance Agency and HRPDC

# Inflation

12-Month Percent Change in CPI, Nov '21- Nov '22



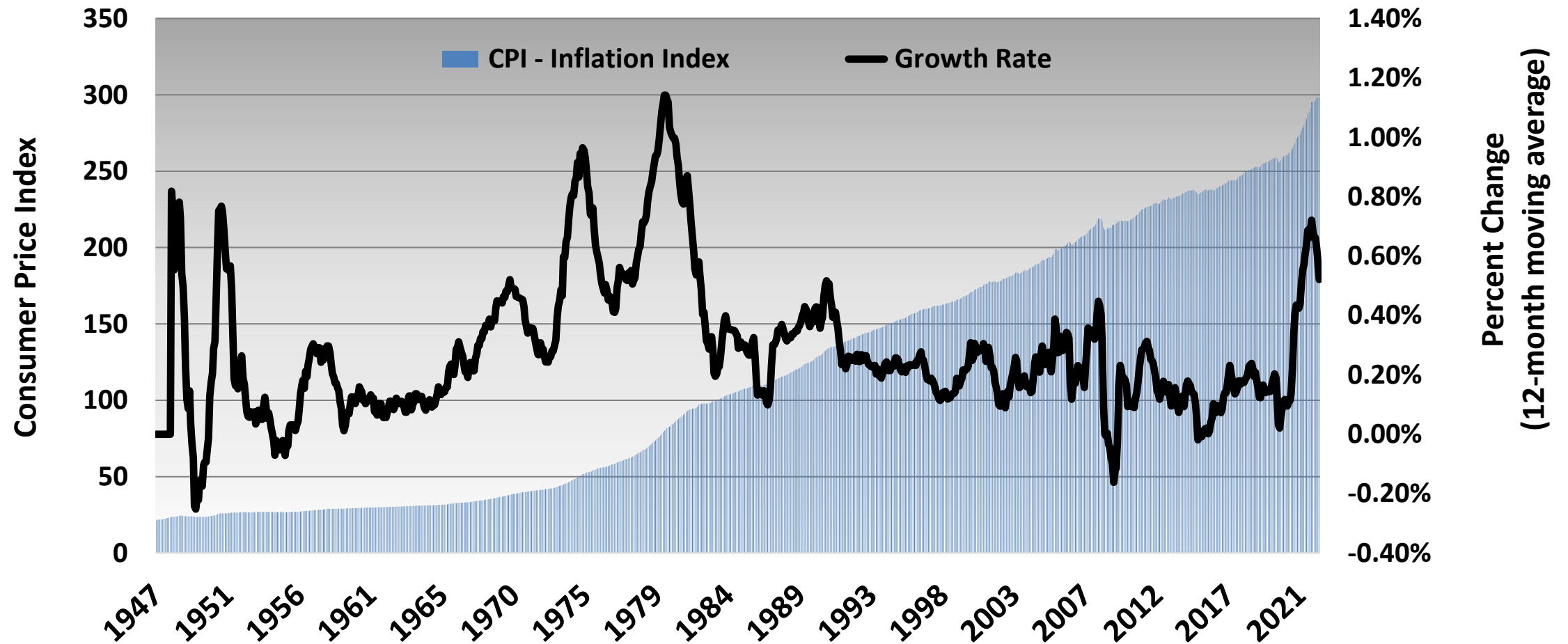
**Impress her with something expensive...**



Sources: Bureau of Labor Statistics and HRPDC

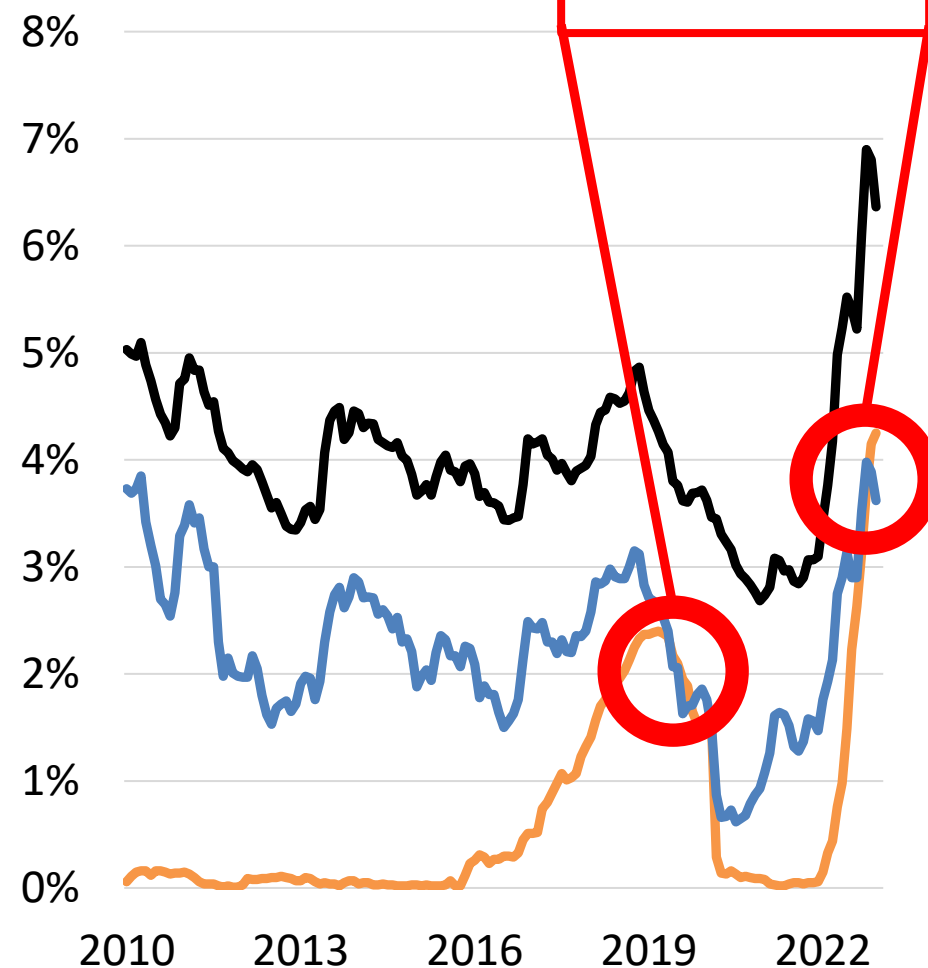
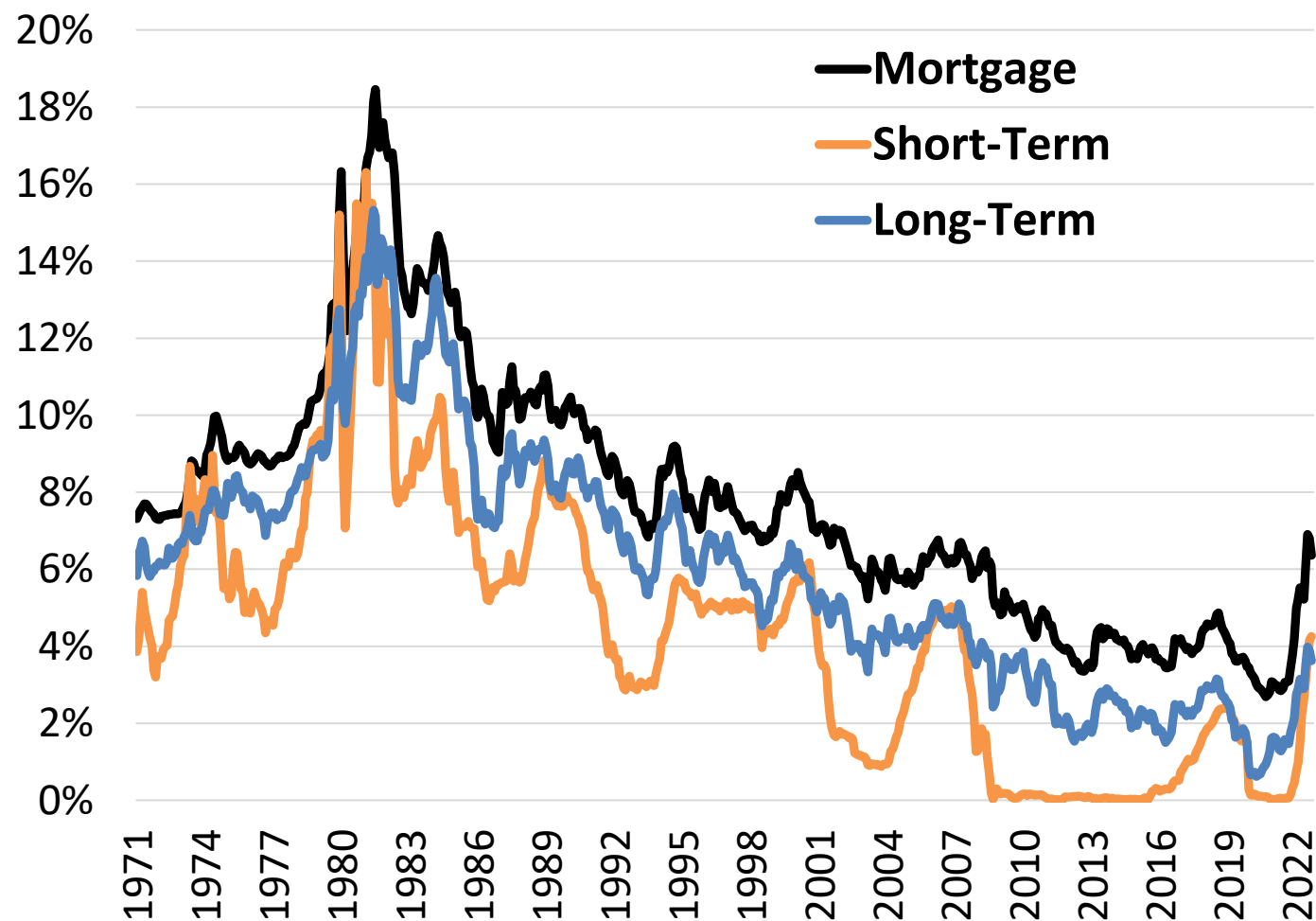


# Inflation



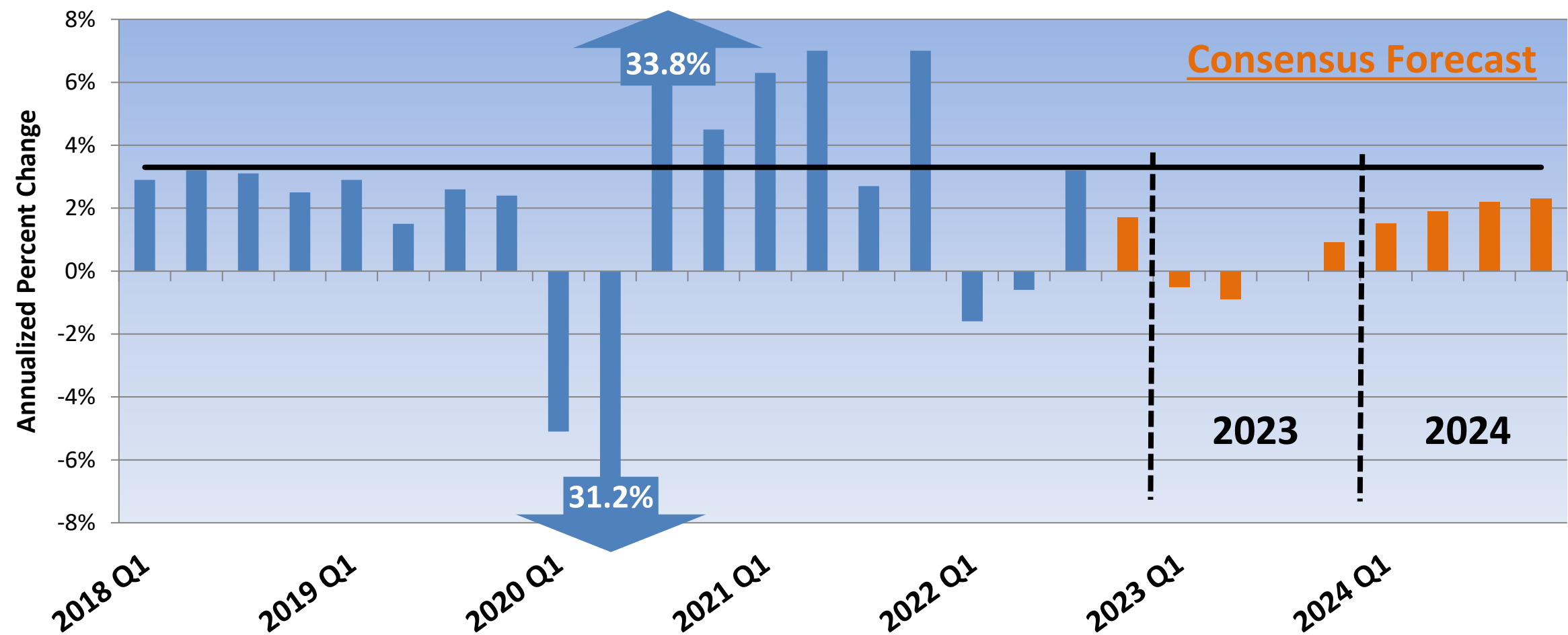
Sources: Bureau of Labor Statistics and HRPDC

# Interest Rates



# Forecast of U.S. Gross Domestic Product

(Annualized Percent Change from Prior Quarter)



Sources: Blue Chip Economic Indicators and HRPDC

# HRPDC Forecast for 2023

	2021 Actual	2022 (Year to Date)	2023 Forecast
<b>U.S.*</b>			
Real GDP	6.7%	2.0%	0.4%
Consumer Price Index	4.7%	8.0%	3.9%
Interest Rates			
Short Government Rates	0.1%	2.1%	4.6%
Long Government Rates	1.4%	2.9%	3.8%
<b>Hampton Roads</b>			
Gross Product	6.3%	NA	1.3%
Civilian Employment	1.7% ✓	1.9% ✓	1.9%
Unemployment Rate	4.6% ✓	3.3% ✓	3.4%
Retail Sales	16.2% ✗	4.7%	3.6%

\*Source: Blue Chip Economic Indicators and HRPDC

# Ongoing Regional Initiatives

- \$5.8 Billion in regional transportation infrastructure projects
- I-64 Gap Funding
- Interconnected regional fiber network – Under Construction
- Birthplace Of America Trail (BOAT)
- Economic development sites readiness
- Development of an offshore wind supply chain
- Regional revenue sharing model (EVRIFA)
- Federal Initiatives – Jefferson Labs
- Implementation of a restructured regional model for Economic Development
- 757 Express Transit Backbone

# Discussion

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